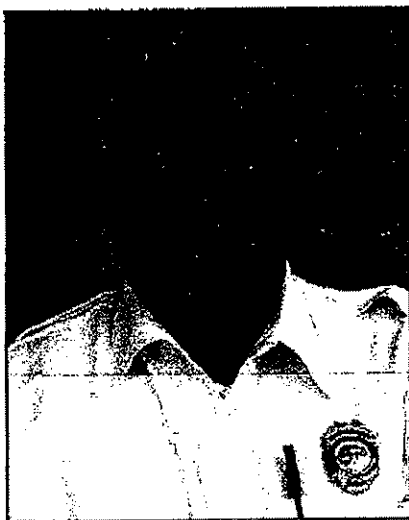


EXHIBIT 17

Will our campus remain safe?



Columbia College's security contractor, Wackenhut, dropped paid family health insurance for campus security officers.

The officers must now pay almost \$400 a month for family coverage -- about 25% of an officers' monthly wages.

Campus safety depends on experienced security officers.

Will experienced security officers work for Wackenhut without affordable health insurance for their families?

Please call Aimee Hardwick, Security Operations Manager for Wackenhut, at (312) 344-7595. Tell her security officers need access to affordable health care.



To learn more about Wackenhut, see the back of this leaflet.

If you have any questions or want to get involved, please call SEIU Local 1 at (312) 233-8880.

No request is being made to cease or desist deliveries or service.

EXHIBIT 18

Join the ProtectsUSA list!
Enter Your Email Address:

Join

...the point of it all!

Case Study:

Wackenhut's Practices Under Scrutiny

After 9-11, there is no margin for error. Wackenhut is the single largest provider of private security to the United States Government. Wackenhut has been a subject of multiple investigations by the DOE and federal officials that have found many problems with the nation's second largest private security force.

It's time we demand better security

» [Read Why We Need Real Homeland Security](#)

As our physical security becomes a higher priority for Americans and all people throughout the world, all participants in our society need to be involved.

Protects-USA, a citizen organization, calls on private companies providing security to take our concerns seriously. Since the spring of 2004, Protects USA affiliated organizations throughout the United States have staged public education events aimed at improving America's homeland security. In October 2004, Protects USA launched its national public education initiative with an event in Oak Ridge, Tennessee in the shadow of Oak Ridge Reservation, one of the most sensitive nuclear facilities in America and the site of some of Wackenhut's most egregious security lapses. [Read More about Protects-USA](#)

Get Involved. If you want to get involved and support this ongoing project, please contact us at info@protectsusa.org and join our mailing list.

Latest Security News from SecurityInfoWatch.com

Observe and Report: Security Guard Fired after Subduing Robber at Credit Union
Guard who stopped robber knew job might be in jeopardy; regulations say only to observe and report

Senate Bill Proposes National Chemical Plant Security Regulations
Senators Lieberman and Collins introduce legislation for DHS control over chemical plant security

Securitas USA Lands High Level of Protection by DHS
Company awarded protection by U.S. SAFETY Act

TSA Addresses Continued Concerns for Cargo Security
Concerns include both ground-based trucking as well as air cargo shipments

Air Marshal Service Under Scrutiny After Shooting
Undercover and in the seats: A look at the Federal Air Marshal Service

People for Responsible Outsourcing to End Excessive Costs to Stakeholders

© Copyright 2004-2005 Protects USA - Working for Real Homeland Security - 1-888-427-8190 - info@protectsusa.org

EXHIBIT 19

1-31-06; 3:06PM; E.C

/ WEST

; 714 792 5966

2/

Protects USA
2120 L Street NW
Sixth Floor
Washington, DC 20037

Dr. Walter Massey
Morehouse College
830 Westview Dr SW
Atlanta, GA 30314-3776

MOREHOUSE COLLEGE

JAN 23 2006

OFFICE OF THE PRESIDENT

January 19, 2005

Dear Dr. Massey,

I am writing to you today regarding your role as a board member of Bank of America. My name is Adam Wilson. I represent Protects USA, an organization you are probably familiar with because of our past interactions with Bank of America and our deep concern over your national contract with Wackenhut Security. I'm sorry I have not had an earlier opportunity to discuss this concern with you directly.

Bank of America is a vital, growing institution, well respected in the US. The Wackenhut Corporation has been providing security services to Bank of America since 1993, employing over 2,400 full-time employees in 30 states. Unfortunately, Wackenhut is a worrisome provider of vital security services in its current state, though it has all the potential in the world to improve with the leadership of people like yourself. Wackenhut has willfully failed to train, equip, screen, or manage its guards in a wise or equitable manner, resulting in major breaches of security for its clients and the communities they serve. We have easily documented numerous examples of unscreened guards, with a history of criminal violence, intoxicated on duty, untrained guards, devoid of any weapons skill that could protect the employees and patrons of your banks; guards that have been forced, sometimes illegally, into overtime, asleep on the job. This is an obvious problem for Bank of America's image and its ability to serve shareholders and patrons to the extent it is capable. Mr. Massey, just this November, the Maui News in Hawaii ran an editorial condemning Wackenhut after receiving numerous letters of complaint from airline patrons who had been harassed by the stressed and underresourced guards -- and twice reporting incidents of assault, including "terroristic threatening", by Wackenhut employees attacking employees of Pacific Wings, an airline operating inside the Maui airport. How long until one, or more, of your branches is affected by this large-scale corporate irresponsibility? It's a risk none of us can afford. And despite what Wackenhut reports in response to our concerns, they have, from the above example alone, not remedied their employee management issues.

Dr. Massey, you are a giant in the corporate world -- your civic leadership is beyond compare, and I know that you take your responsibilities as a corporate and community steward very seriously. As the president of Morehouse College and a trustee of the Mellon Foundation, I see a man deeply committed to meeting his obligations with strength and honor. It is for this reason that I would very much like to meet with you to discuss concrete ways in which we can work together, productively, to solve this problem. Of course, we at Protects USA simply want to protect our communities in this time of terror and uncertainty from preventable disaster and we respect your role as well, that of a responsible board member at Bank of America, accountable to the shareholders of that institution. I look forward to your kind response to my request.

I am writing to the other board members of Bank of America as well, asking that they similarly give me the time to discuss with them the security situation at Bank of America and ways in which we may be helpful in solving our common issues.

Very Sincerely Yours,


Adam Wilson

TWC009158

EXHIBIT 20

10/31/2007 13:35 FAX 5616916680

THE WACKENHUT CORP

003/004

WACKENHUT

*Wishes to thank Palm Beach County for our
continuing business relationship*

*Despite our terrible job performance around the globe
we know we can count on our friends "at home".*

*Allegations of fraudulent billing that cost
Miami-Dade County \$12.1 million?*

Cheating on security drills?

Falsifying training records?

Botching a suspected Anthrax incident at DFB?

E4B abusing human rights throughout Africa?

What's a little sloppy performance among friends?

*Thanks to Palm Beach County for continuing to employ
Wackenhut through these difficult times.*

We look forward to our continuing profits.

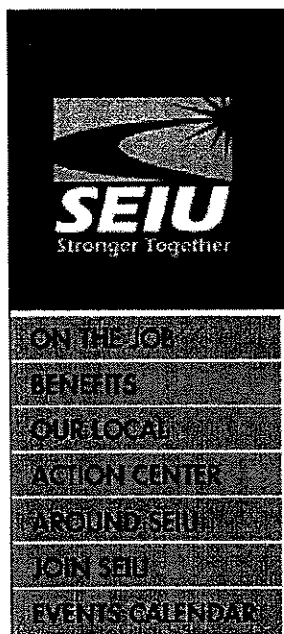
10/31/2007 13:35 FAX 5616916680

THE WACKENHUT CORP

004/004

Thank You

EXHIBIT 21



>> SIGN UP TO RECEIVE
 EMAIL UPDATES
 >> CONTACT US
 >> FIND OUT ABOUT
 SEIU JOBS
 >> VISIT OUR
 STATE COUNCIL
 >> SEIU STORE



Join the lively discussions
 about our union, our
 activities, and our vision for
 working people across
 America.
 Read the blog today!

SEIU LOCAL 1

36,000 Members Strong Throughout Illinois and Southeast Wisconsin



SEIU Local 1
Stronger Together

ESPAÑOL

POLSKI

SEIU Local 1: united for strength on the job & in our communities.



SEIU Worksite Leader Spotlight

SEIU Local 1 Worksite Leaders are the backbone of our union and the reason our local is strong and active. We will be featuring our leaders bi-monthly, so check it out!

► **Martha Ponce** Martha works for Kimco at the Lake Cook Office Centre in Deerfield. Martha has been a leader in the suburbs for many years. She was a key leader during the strike and continues to provide leadership for our suburban commercial office janitors.

Whether it is the fight for a fair contract, the fight for immigration reform or and any other fight which the members of Local 1 are up against, you will find Martha involved.



► **Carlos Acosta** has been and activist in the

Residential Division for many years. Carlos works at 171 West Oak Condominium. He was on the bargaining committee for the last contract and has been working to build the Residential Division into a strong and unified group.

Carlos has also been active in politics, knowing that for his union to be as strong as it needs to be, we need to be strong politically.



SEIU Local 1 Campaigns



The **Wackenhut Campaign** is in full swing. Wackenhut is a major security employer in the Chicago area and throughout the U.S. Yet while their Security Officers are union in Europe, Wackenhut and its parent company Group 4 Falck refuse to allow Security officers in the U.S. to organize to improve their wages and benefits. Click to find out details about the ongoing campaign against Wackenhut.

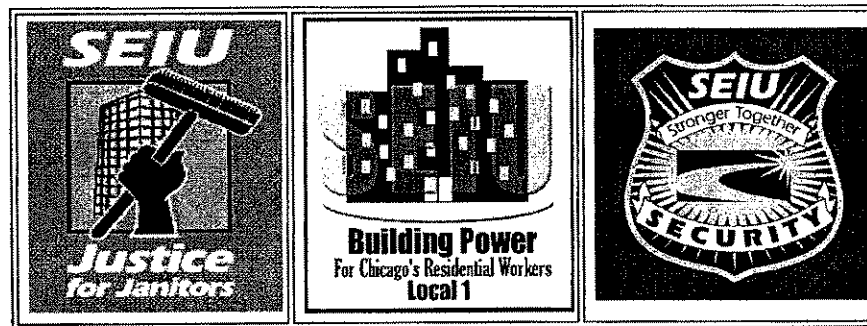
[To find out more...](#)

The **Campaign For Barack Obama for U.S. Senate** is going strong. The election will be held on Tuesday, March 16th. Local 1 and the SEIU Illinois Council has endorsed Obama for Senate.

Obama has a proven record of fighting for our members and their families. He fought to raise the minimum wage in Illinois. He fought for the rights of immigrant children to attend college in Illinois. He has fought for hospital accountability and for affordable health insurance for all. Please make an effort to get out on election day and vote for Obama. [To find out more...](#)

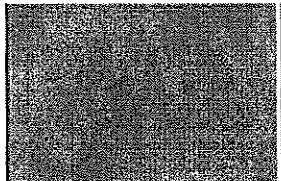
☒ Barack Obama for Senate

Click [HERE](#) For Info on Preventing Lay-offs and Getting Resources If You Are Laid off



»» Other Local 1 News...

»» Links To Other Websites...



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[Around SEIU](#) | [Join SEIU](#) | [Events Calendar](#) | [Search](#) | [Contact Us](#)

EXHIBIT 22

04/20/06 03:46pm P. 001



Los Angeles Office
1247 W. 7th St.
L.A., CA 90017
(213) 680-9567
Fax: (213) 488-0328

Orange County Office
1516 N. Sycamore St.
Santa Ana, CA 92701
(714) 245-9700
Fax: (714) 245-9710

San Diego Office
4265 Fairmount Ave.
Suite 260
San Diego, CA 92105
(619) 641-3050
Fax: (619) 641-3055

San Jose Office
1010 Ruff Dr.
San Jose, CA 95110
(408) 280-7770
Fax: (408) 280-7804

Oakland Office
8105 Edgewater Dr.
Suite 235
Oakland, CA 94621
(510) 553-1877
Fax: (510) 569-8832

Sacramento Office
1401 21st St., Suite 310
Sacramento, CA 95814
(916) 498-9505
Fax: (916) 497-0806

San Francisco Office
45 Polk Street, 2nd Floor
San Francisco, CA 94102
(415) 552-1301
Fax: (415) 552-1307

SERVICE EMPLOYEES
INTERNATIONAL UNION

VIA FACSIMILE AND U.S. MAIL

April 20, 2006

Mr. Alvin Blain
General Manager
City of Los Angeles – General Services Department
City Hall South
111 E. First Street, Room 701
Los Angeles, CA 90012
Fax: 213-928-9515

Re: Opposition to Renewal of General Services Contracts with The Wackenhut Corporation and Inter-Con Security Systems, Inc. – Numbers C-107406 and C-107050.

Dear Mr. Blain,

We are writing to express our opposition to granting The Wackenhut Corporation and Inter-Con Security Systems, Inc. additional one-year extensions of Contract Numbers C-107406-1 and C-107050-1, respectively. The City of Los Angeles Department of General Services is currently considering amendments to extend the periods of performance for the Wackenhut and Inter-Con security contracts set to expire on May 16, 2006.

Wackenhut has recently experienced increased scrutiny of its performance on a number of sensitive public accounts, including allegations of billing fraud, security lapses, and poor training. In a highly publicized action, the Department of Homeland Security refused to exercise its option on Wackenhut's contract, even though it had three years to run; the contract was put out to bid and awarded to another contractor. Inter-Con has been a repeat offender of California's labor laws and a 2004 internal audit found that the company had violated specific provisions of its contract with the City of Los Angeles Department of Water and Power.

We know that the City of Los Angeles places a very high priority on the safety and security of its citizenry and public resources. In light of these contractors' track records, we respectfully urge the City of Los Angeles to reaffirm its commitment to public safety by terminating its contracting relationship with these firms. The stakes are too high to entrust security to firms with shoddy performance records.

SEIU 16382

TWC021491

04/20/06 03:46pm P. 002

Re: Wackenhut and Inter-Con Security Contracts

Page 2 of 6

In America's larger cities, SEIU has been working with responsible security companies, the commercial real estate industry clients, elected officials and public safety experts in an attempt to create partnerships that can address the problems of poor training and high turnover in the industry. More than 50,000 private security officers and public safety personnel are members of SEIU. More than 30,000 of these members work in the public sector as security officers, sworn law enforcement officers and support personnel.

We are similarly vigilant in exposing those security companies that are not committed to raising standards within the industry. SEIU maintains a regularly updated website dedicated to exposing Wackenhut's track record. There is extensive coverage of Wackenhut's troublesome performance record as a public contractor available at: <http://www.eyeonwackenhut.com/>

City of Los Angeles Has Authority to Terminate Wackenhut and Inter-Con Contracts

We urge the City to terminate its agreements with Wackenhut and Inter-Con. The annual value of the General Services contract for security services is \$6,336,000. Wackenhut performs approximately 42 percent of this work and Inter-Con performs 5 percent. Over the next several weeks, the City will consider a decision to extend the period for performance of these agreements for one year. The amended contracts expire on May 16, 2006. The City of Los Angeles "Responsible Contractor Policy" (RCP) and the contract termination clauses enable the City to terminate these agreements at its discretion. The City should initiate a new request for proposals (RFP) process so that responsible security contractors may bid on it.

There is a body of evidence of security problems at Wackenhut-guarded sites throughout the U.S., including a lack of officer training and alleged over-billing of public agencies. Inter-Con has established a pattern of repeat violations of California labor laws and violated specific requirements of its contract with the Los Angeles Department of Water and Power (LA DWP). The U.S. Office of Inspector General estimated that Inter-Con over-billed the federal government by \$4.6 million. These and other issues discussed below should place Wackenhut and Inter-Con on the City's list of "non-responsible" contractors.

The City's RCP defines the characteristics of "responsible" contractors and empowers it to terminate agreements with firms that are "non-responsible." The Ordinance states:

"Contractor Responsibility is determined by each awarding authority from reliable information concerning a number of criteria including, but not limited to: management expertise; technical qualifications; experience; organization, material, equipment and facilities necessary to perform the work; financial resources; *satisfactory performance of other contracts; satisfactory record of compliance with relevant laws and regulations; and satisfactory record of business integrity*" (Ordinance No. # 173677. § 10.40.2 (a); page 3. Emphasis added).

An examination of Wackenhut and Inter-Con's performance record shows that they may not meet the criteria for contractor "responsibility." RCP §10.40.6 entitles the City to terminate contracts. Both firms should be placed on the City's list of "non-responsible" contractors and they should be barred from being awarded future City contracts.

SEIU 16383

TWC021492

04/20/06 03:46pm P. 004

Re: Wackenhut and Inter-Con Security Contracts

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The contract termination clause also provides the authority for the City to terminate these agreements. The clause (§12.9, pg. 28) enables the City to terminate the contracts, at any time, for reasons of convenience or as a result of a default by the contractor. Default is defined in the contract as bankruptcy or instances in which the contractor "breaches any material term or violates any material provision of the contract and does not cure such breach or violation within ten (10) calendar days after delivery by City of a 'Notice to Cure Deficiency.'"¹ Default is also defined as "inferior or poor quality performance of contracted services as evidenced by recurring complaints, incidents of non-performance and failure to comply with requirements herein."

Wackenhut Performance Track Record Cause for Concern

- DHS Terminates Wackenhut Contract. Coinciding with revelations of extensive security breaches at the Wackenhut-guarded Department of Homeland Security (DHS) headquarters in Washington, D.C., DHS has decided to solicit a new contract for security personnel, rather than exercising the option on Wackenhut's current contract. DHS elected to terminate the agreement even though Wackenhut's contract included three additional option years, worth an estimated \$28 million.²
- Miami-Dade Transit Contract Under Investigation. Wackenhut's \$89 million contract to guard the Miami Dade Transit system is under investigation by the County Auditor in response to whistleblower complaints of over-billing and fraudulent reporting of guards' hours. The alleged over-billing reportedly has cost Miami-Dade County up to \$4.5 million a year.³
- Audit Finds Security Shortcuts at St. Lucie Nuclear Site. In April 2004, six Wackenhut security officers and their supervisor were removed from duty by the St. Lucie Nuclear Power Plant in Florida after a plant audit found they took shortcuts during patrols.⁴
- "Significant Issues" at Turkey Point Nuclear Facility. In February 2006, the Nuclear Regulatory Commission (NRC), which oversees the nation's nuclear power plants, announced an inspection into the Turkey Point facility in Florida, where Wackenhut guards are employed. The NRC would not comment beyond a press release that cited "significant issues" at Turkey Point.⁵
- NRC to Investigate Job Conditions at Three Mile Island. According to *The Patriot-News* in Pennsylvania, the NRC also has investigated Wackenhut security forces at Three Mile Island

¹ "Agreement Between City of Los Angeles and Inter-Con Security Systems, Inc. for Security Guard Services." Section 12.9. Page 28.

² Yost, Patrick. "DHS Solicits New Contract for Security Personnel After Revelations of Problems." *Congressional Quarterly*. April 3, 2006.

³ Lebowitz, Larry and Scott Hiaasen. "Firm Accused of Lax Transit Security." *The Miami Herald*. January 8, 2006.

⁴ "Guards Accused of Incomplete Patrols at St. Lucie Nuclear Plant," *Associated Press*. April 28, 2004; "Guards Who Failed to Complete Patrols Let Go." *Fort Pierce Tribune* (Fort Pierce, FL). April 28, 2004; "Nuclear Plant Guards Failed to Walk Beats." *Press Journal* (Vero Beach, FL). April 28, 2004.

⁵ "NRC Sends Augmented Inspection Team to Review Security at Florida Nuclear Power Plant and Issues Confirmatory Action Letter." *NRC News*. February 17, 2006.

SEIU 16384

TWC021493

04/20/06 03:46pm P. 003

Re: Wackenhut and Inter-Con Security Contracts

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nuclear plant, focusing on fitness-for-duty issues like fatigue and sleeping on the job. The investigation was prompted by reports of sleeping or inattentive employees at Three Mile Island and a memo from the head of Wackenhut security who chastised security supervisors for failing to note that veteran officers were telling new hires safe places to sleep undetected while on duty.⁶

- Nevada Test Site Security Concerns Congressman. Rep. Christopher Shays, a key Republican chairman in the House of Representatives with oversight of national security expressed concerns about security at the Wackenhut-guarded Nevada Test Site and suggested the Department of Energy (DOE) think twice about extending its contract.⁷
- Security Costs Double at Oak Ridge (TN) Facility. In February 2005, the *Knoxville News-Sentinel* reported that the DOE Inspector General said that security costs in Oak Ridge nearly doubled over a five-year period, in part because of high overtime expenses, and federal auditors said the contractor — Wackenhut — may have unduly profited from the situation.⁸
- Wackenhut Caught Cheating on Security Drill at Y-12 Nuclear Weapons Plant. In early 2004, the DOE Inspector General found that Wackenhut personnel had been tipped off in advance during a DOE drill developed to ensure that site's protective force can respond to potential security threats, such as a terrorist attack. Government investigators concluded that Wackenhut's actions were improper and had tainted the test results to the degree that they could not be relied upon. The DOE downgraded Wackenhut's performance score at Y-12 in its semi-annual performance evaluation report in March 2004. According to press reports, the incident cost the company about \$200,000 in fees. Then, in a September 2004 exercise at Y-12, guards reported that there was chaos when armed guards nearly fired on unarmed participants in a counter-terrorism drill. In a separate 2004 incident, guards accidentally discharged live ammunition into a refrigerator. Finally, Wackenhut employees were involved in four vehicle accidents.⁹

Inter-Con's Poor Performance Record*Inter-Con and the City of Los Angeles*

Inter-Con failed to abide by legal and contractual obligations as set forth in its agreement with the Los Angeles Department of Water and Power (LA DWP).

- Contract Violations at LA DWP. According to an internal LA DWP staff report dated February 16, 2006, "Inter-Con was found to be deficient in maintaining appropriate records (guard cards, background check documents) for employees assigned to the Department

⁶ Lenton, Gary. "Surprise Inspections Hit State's Nuke Plants." *The Patriot News*. March 1, 2006.

⁷ Batt, Tony. "GOP Lawmaker Questions Nevada Test Site Security." *Las Vegas Review-Journal*. October 6, 2005.

⁸ "Feds Consider Changes for Y-12 Security," *Knoxville News-Sentinel*. November 18, 2004.

⁹ "\$3.6 Million is Awarded to Wackenhut," *The Oak Ridger*. November 24, 2004.

SEIU 16385

TWC021494

04/20/06 03:46pm P. 005

Re: Wackenhut and Inter-Con Security Contracts

Page 5 of 6

facilities. In addition, Inter-Con did not provide the Department with Prime Contractor Monthly Reports until October 2005.¹⁰

- Improper LA DWP Billings. Inter-Con improperly billed the LA DWP \$3,566 for time spent by the Field Supervisor in visiting field locations. Inter-Con had similarly improperly billed the Department \$2,097 for 112 hours of overtime.¹¹
- Required Documentation Not Provided. Inter-Con did not provide Daily Field Activity Reports as required by its contract with LA DWP. Inter-Con also failed to maintain and provide the required signed Letter of Affidavit for each employee certifying that the individual had met the hiring and training requirements within thirty days of assignment to a Department facility.¹²

In 1993, Inter-Con was awarded the Los Angeles General Services contract for security. Over the next two years, the City received over 100 complaints against Inter-Con, alleging that officers were several hours late for shifts, sleeping on the job and, in one case, reported to work intoxicated. The complaints prompted the Los Angeles City Council to call for an audit of the agreement.¹³

State of California Labor Violations

- The State of California Department of Labor Standards Enforcement found that Inter-Con violated State labor laws 58 times during the period from 2000-2005. The claims resulted in penalties totaling \$89,790.98. Over 70 additional claims were filed against the company during the same period.
- The State of California Division of Occupational Safety and Health found that Inter-Con violated state and federal OSHA regulations nine times during the time period from 2000-2005, resulting in over \$13,075 in penalties.

U.S. State Department Over-billing

- In 2001, the U.S. Office of the Inspector General (OIG) conducted a limited audit of a contract with Inter-Con for offices and facilities in the greater Washington D.C. area and other domestic locations. An audit of two sets of Inter-Con invoices discovered that the State Department was paying higher rates than required under the contract, resulting in millions of dollars of overpayment to the company. The OIG estimated that the overpayments totaled \$4.6 million since the start of the contract.¹⁴

¹⁰ "LADWP Board Approval Letter." February 16, 2006.

¹¹ "Audit of Inter-Con Security Systems, Inc. – November 2001 Through April 2004." Department of Water and Power. City of Los Angeles; Internal Audit Business Unit. October 6, 2004.

¹² *Ibid.*

¹³ *Los Angeles Times*. July 10, 1993; August 24, 1994; September 19, 1995.

¹⁴ "Monthly Report of Activities." U.S. Office of Inspector General, June 2001.

SEIU 16386

TWC021495

04/20/06 03:46pm P. 006

Re: Wackenhut and Inter-Con Security Contracts

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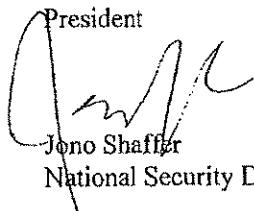
Conclusion

Wackenhut and Inter-Con's performance track record, while guarding high-profile public facilities, may demonstrate that they are not "responsible" contractors. We believe the City of Los Angeles can reaffirm its commitment to public safety by terminating its contracting relationship with both of these firms.

Sincerely,



Mike Garcia
President



Jono Shaffer
National Security Director, SEIU

cc: Maurice Suh, Deputy Mayor for Homeland Security
Rockard J. Delgadillo, Los Angeles City Attorney
Jack Weiss, Chair -- Los Angeles City Council Committee on Public Safety
José Huizar, Chair -- Los Angeles City Council Committee on Audits and Governmental Efficiency

SEIU 16387

TWC021496

EXHIBIT 23

STAND for SECURITY COALITION

ADVISORY BOARD:

Rev. James Lawson, Jr.
President of the Board SCLC

Rev. Dr. Cecil "Ody" Murray
Pastor (retired), Community
Leader

Rev. William Campbell
President Los Angeles Council of
Churches

Bishop Charles Blake
West Angeles Church of God &
Christ

Bishop Henry Williamson
Presiding Presbiter, 5th Episcopal
District, C.M.E. Church

Bishop John R. Bryant
Presiding Presbiter, 5th Episcopal
District A.M.E. Church

Bishop Gabriel Zavala
Roman Catholic Archbishop

Bishop Mary Anne Swanson
United Methodist Church

Minister Tony Muhammad
Western Region Representative,
Nation Of Islam

Rabbi Abba Henkin
Union of Reform Judaism

Rabbi Leonard Bernstein
Founding Rabbi Leo Weck Temple

Rev. Eric P. Lee
Executive Director, SCLC of
Los Angeles

Margaret Harris Dawson
Community Coalition, Executive
Director

Anthony Thigpen
Agenda, Founder

Geraldine Washington
NAACP, President, Los Angeles

Dr. Maulana Karenga
The Organization Us, Chairman

Abdullah Mohammed
ACORN

John Jackson
Say Yes to Children Network

March 28, 2007

Honorable Mayor Villaraigosa
200 N. Spring Street, Room 303
Los Angeles, CA 90012
Via fax: 213/978-0750

Honorable Mayor Villaraigosa:

As leaders in the Stand for Security Coalition of community and clergy, we are writing to express our concern regarding Wackenhut, the City of Los Angeles' largest private security provider. We recently learned Wackenhut was approved by the General Services Department to be awarded a new contracts to protect city properties despite its well-documented record of racism, discrimination and poor security that appears to violate the City of Los Angeles' Responsible Contractor Policy. We request that you swiftly and thoroughly investigate whether they qualify for business with the city under the Responsible Contractor Policy.

Earlier this month, Rep. Diane Watson, Assemblyman Mervyn Dymally, State Senator Mark Ridley-Thomas, Councilmember Wendy Greuel, and Dr. Maulana Karenga of California State University in Long Beach joined us at the first convening of the **Los Angeles Commission on Wackenhut and Security Standards**. During this meeting, we heard detailed and troubling testimony from current and former Wackenhut employees.

Wackenhut's Record of Racism

Three Wackenhut security officers from the U.S. Department of Energy's nuclear facility in Oak Ridge, Tennessee, testified about the hostile environment at the complex that included the repeated use of racial epithets, an incident involving a noose, and hiring discrimination against other African American officers. We were appalled by this racist environment Wackenhut security officers are subjected to which is reminiscent of the 1950s – not 2007.

This racism is not only happening at Wackenhut-guarded facilities in this country. Moonlight Mbatha, a South African security officer employed by Wackenhut's parent company Group 4 Securicor, testified about black workers being called "baboons" and other derogatory terms, and allegations of toilets reserved for whites only. Group 4 Securicor has been voted "worst employer" in all of South Africa.

Wackenhut's Poor Performance

Security officers also testified about problems at Wackenhut-guarded facilities that potentially compromised the security of those sites, including the Department of Homeland Security (DHS) headquarters in Washington, D.C. Two former DHS officers recalled that despite this era of heightened security threats, Wackenhut did not have a procedure in place to detect chemical and biological agents, or provide training to officers on how to handle these potentially deadly situations. As a potential terrorism target, it is imperative that the city of Los Angeles contract with security firms that are prepared for any life-threatening situation including the use of deadly substances to inflict harm on the public.

Wackenhut Illegally Intimidates, Interrogates Workers

Another former Wackenhut officer, Terence Purnell, testified that he was fired when managers learned he was part of an effort of security officers to form a union with the Service Employees International Union (SEIU). Last January, the National Labor Relations Board ruled that Wackenhut illegally intimidated and interrogated workers at the IMF. As a champion of workers' freedom to form a union, you likely find this ruling against Wackenhut as troubling as we and our fellow commissioners do.

These disturbing instances of racism, discrimination and poor performance by Wackenhut raise serious doubts on whether the city of Los Angeles should renew contracts with the company, and furthermore whether Wackenhut should be in contention for future city contracts.

Required "Responsible Contractor" Review

The City of Los Angeles' General Services Department is now in the process of negotiating security contracts to guard more than 50 City facilities throughout Los Angeles. The City's "Responsible Contractor Ordinance" (RCO) requires that the City's procurement process result in the selection of qualified *and responsible* contractors. The City's RCO defines the characteristics of "responsible" contractors and empowers it to terminate agreements with firms that are "non-responsible." The Ordinance states:

"Prior to awarding a contract, the City shall make a determination that the prospective contractor is one that has the necessary quality, fitness and capacity to perform the work set forth in the contract. Responsibility will be determined by each awarding authority from reliable information concerning a number of criteria including, but not limited to: management expertise; technical qualifications; experience; organization, material, equipment and facilities necessary to perform the work; financial resources; *satisfactory performance of other contracts; satisfactory record of compliance with relevant laws and regulations; and satisfactory record of business integrity*" (Los Angeles Administrative Code §10.40.2(a), Ordinance No. #173677) (Emphasis added).

Wackenhut Should Be Deemed "Non-Responsible"

Prior to any approval of City contracts, Wackenhut's record should be investigated. The City requires that every bidder submit a "Responsibility Questionnaire" to determine whether a bidder meets the criteria set by the RCO. Following the Responsibility Questionnaire, please find enclosed for your review a compilation of Wackenhut's alarming record in the areas of:

- Termination of contracts (three cases, and two cases of options not being exercised and contracts or subcontracts being put out to bid)
- Employment-related litigation (fourteen cases)
- Outstanding judgments (one case)
- Federal, state, or local investigation, citation, assessment of penalties, violation of laws, rules, regulations, enforced or administered, by any of the governmental entities (three cases)
- Current investigation by governmental entity or public utility for making false claims or material misrepresentations (two cases)

It is our hopes that you will take a deeper look at Wackenhut before awarding this company future contracts that are funded by taxpayers of the city of Los Angeles.

Sincerely,

Rev. Eric P. Lee

Rev. Eric P. Lee
Executive Director
Southern Christian Leadership Conference of

Dr. Lewis E. Logan II

Rev. Dr. Lewis E. Logan II
Senior Pastor
Bethel A.M.E. Church Los Angeles

cc: Los Angeles City Council
Alvin Blain, General Manager, General Services Department
John Reamer, Director, Bureau of Contract Administration, Public Works

EXHIBIT 24

REDACTED

As leaders in the Stand for Security Coalition of community and clergy, we are writing to express our concern regarding Wackenhut, the City of Los Angeles' largest private security provider. We recently learned Wackenhut was approved by the General Services Department to be awarded a new contract to protect city properties despite its well-documented record of racism, discrimination and poor security that appears to violate the City of Los Angeles' Responsible Contractor Policy. We request that you swiftly and thoroughly investigate whether they qualify for business with the city under the Responsible Contractor Policy.

Earlier this month, Rep. Diane Watson, Assemblyman Mervyn Dymally, State Senator Mark Ridley-Thomas, Councilmember Wendy Grenel, and Dr. Maulana Karenga of California State University in Long Beach joined us at the first convening of the Los Angeles Commission on Wackenhut and Security Standards. During this meeting, we heard detailed and troubling testimony from current and former Wackenhut employees.

Wackenhut's Record of Racism

Three Wackenhut security officers from the U.S. Department of Energy's nuclear facility in Oak Ridge, Tennessee, testified about the hostile environment at the complex that included the repeated use of racial epithets, an incident involving a noose, and hiring discrimination against other African American officers. We were appalled by this racist environment Wackenhut security officers are subjected to which is reminiscent of the 1950s – not 2007.

This racism is not only happening at Wackenhut-guarded facilities in this country. Moonlight Mbatha, a South African security officer employed by Wackenhut's parent company Group 4 Securicor, testified about black workers being called "baboons" and other derogatory terms, and allegations of toilets reserved for whites only. Group 4 Securicor has been voted "worst employer" in all of South Africa.

Wackenhut's Poor Performance

Security officers also testified about problems at Wackenhut-guarded facilities that potentially compromised the security of those sites, including the Department of Homeland Security (DHS) headquarters in Washington, D.C. Two former DHS officers recalled that despite this era of heightened security threats, Wackenhut did not have a procedure in place to detect chemical and biological agents, or provide training to officers on how to handle these potentially deadly situations. As a potential terrorism target, it is imperative that the city of Los Angeles contract with security firms that are prepared for any life-threatening situation including the use of deadly substances to inflict harm on the public.

SEIU 16478

Wackenhut Illegally Intimidates, Interrogates Workers

Another former Wackenhut officer, Terence Purnell, testified that he was fired when managers learned he was part of an effort of security officers to form a union with the Service Employees International Union (SEIU). Last January, the National Labor Relations Board ruled that Wackenhut illegally intimidated and interrogated workers at the IMF. As a champion of workers' freedom to form a union, you likely find this ruling against Wackenhut as troubling as we and our fellow commissioners do.

These disturbing instances of racism, discrimination and poor performance by Wackenhut raise serious doubts on whether the city of Los Angeles should renew contracts with the company, and furthermore whether Wackenhut should be in contention for future city contracts.

Required "Responsible Contractor" Review

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EXHIBIT 25

Wackenhut: An Obstacle to Quality Security Standards

The following are examples and instances of how Wackenhut appears to be in violation of the City Responsible Contractor Ordinance, following the format of the Responsibility Questionnaire that is required of all contractors bidding on City work. These answers have been prepared by Service Employees International Union (SEIU) based on government and press reports and court findings wholly independent of Wackenhut and are not meant to reflect Wackenhut's actual responses to the City's questionnaire.

Question #10:

In the five years, has a government or private entity or individual terminated your firm's contract prior to completion of the contract?

Wackenhut has a troubled performance record includes cheating on a security drill at a nuclear weapons plant, excessive overtime (in excess of 70 hours per month), cutbacks on training, and falsification of training records. Terminated Wackenhut contracts include:

- Pilgrim Nuclear Power Plant: In August, 2006, Wackenhut lost its security contract with the Entergy Corporation at the Pilgrim plant after public and government criticism of Wackenhut's performance.
- Indian Point #2 Nuclear Power Plant: An internal investigation into Wackenhut's performance identified a number of important security lapses and problems in Wackenhut's management of plant security and in 2003, the Entergy Corporation canceled Wackenhut contract at Indian Point was and took security back in-house.
- Utah Transit Authority: In 2002, a number of problems were identified with its contract to provide security for the light rail system including allegations of racial profiling of Hispanic passengers, suspension of a security captain following his confrontation with a passenger, and the discovery that guards were confiscating drugs and storing them in an evidence locker even though the company was not authorized to confiscate drugs or have an evidence room.¹

Options to renew the following contracts or subcontracts were not exercised and the contracts were put out to bid amidst revelations of security performance problems:

- Department of Homeland Security Headquarters: In April 2006, coinciding with revelations of extensive security breaches at the Wackenhut-guarded Department of Homeland Security (DHS) headquarters in Washington, D.C., DHS has decided to solicit a new contract for security personnel, rather than exercising the option on Wackenhut's current contract. DHS elected to terminate the agreement even though Wackenhut's contract included three additional option years, worth an estimated \$28 million.²
- Department of the Army: In April 2006 the Army decided to resolicit all base security contracts after the Government Accountability Office reported numerous problems plaguing the contracts. The GAO found substantial problems with the screening process for contract security officers which, taken together, have "put the Army at risk of staffing its gates with contract security guards who are not qualified for the job and in fact has resulted in applicants with criminal histories, including felons, being employed as guards." The GAO also found substantial problems concerning training, ranging from inadequate oversight to poor record keeping, and discovered missing, incomplete, and even falsified training records.

Question #13:

In the past five years, has your firm been the defendant in court on a matter related to any of the following issues? ... For Part (c), check yes only if the matter proceeded to court litigation. (c) Employment-related litigation brought by an employee?

- Judgment Entered Against Wackenhut in Gender, Race Discrimination Retaliation, and Hostile Work Environment Suit in Seattle (Franklin v. Wackenhut, 2:05-cv-00120 (Western District of Washington))

Karen Franklin, a management employee, filed suit against Wackenhut alleging gender discrimination, racial discrimination, hostile work environment, retaliation and disability discrimination. In February 2006, Wackenhut made an offer of judgment to Franklin of \$75,000 which was accepted by Franklin. On March 15, 2006, judgment was entered in favor of Franklin against Wackenhut Corporation in the amount of \$75,000.⁴⁰ In her complaint, Franklin alleged:

- After she was hired, Franklin was subjected to highly offensive comments by the Area Manager and the Manager of Physical Security, regarding her appearance and sexuality. The Manager of Physical Security told her she "sounded like his wife" when she participated in managerial discussions and asserted herself in a managerial way. He told her that she "could not take a joke" and that if he couldn't joke around with her he didn't want her working with him.
 - Franklin was also involved in documenting, reporting and responding to a sexual harassment charge by a subordinate relating to harassment by a nonemployee. Retaliation started immediately by creating a hostile work environment where the Area Manager would no longer talk to her and avoided her. Her management role and responsibilities were curtailed and were given to a male friend of the two managers. The retaliation also came in the form of pulling her hair, throwing objects at her, excluding her from meetings, making damaging statements about her to others, and humiliating her in front of subordinates, in addition to allowing site supervisor Dornell Lee and Capt. Ken Searles to be insubordinate to her.
 - Initially, Maj. Franklin was demoted to a line security officer with a cut in pay and stripped of her rank. After her complaint and the report to Headquarters, her pay has been restored but the rank of major has not.
 - Franklin's hours were changed to a shift starting at 5 a.m. to 1 p.m., knowingly, to directly conflict with her need to care for her daughter. Her child care needs were known from her date of hire and her child was shamelessly used as leverage to get her to leave her position. The new schedule was also designed to interfere with her known religious practice of going to church and directing and participating in her church choir on Saturdays.
 - Franklin has a known physical disability which was not being accommodated in her position. The company had documentation of her medical condition which the company knew about when she was hired. She said this treatment was tantamount to "torture" which she had to endure to support her daughter.
- Allegations of Racism by Current, Former, and Prospective Security Officers at the Oak Ridge Reservation (Alexander et al. v. Lockheed Martin Energy Systems, Inc. et al. (3:06-cv-00047); Davidson et al. v. Lockheed Martin Energy Systems, Inc. et al. (3:06-cv-00045), and Clark et al. v. Lockheed Martin Energy Systems, Inc. et al. (3:06-cv-00046); and O'Neal et al. v. Wackenhut Services Inc. and Wackenhut Corporation, 3:03-CV-397)

A group of long-serving African-American security officers currently employed by Wackenhut Services Inc. (WSI), at the Department of Energy's Oak Reservation has made substantial allegations of entrenched racial discrimination at the facility. The officers describe serious instances of discrimination which have the potential to aggravate security issues by blocking advancement for the most qualified officers, contaminating communications and decision-making, and corroding morale and unit cohesion within the Oak Ridge protective force. The Y-12 plant, where the officers are deployed, is the nation's storehouse for "special nuclear materials" used in the production of nuclear weapons. The officers are among nine plaintiffs in a federal civil suit filed in 2001. The plaintiffs have defeated a motion to dismiss by Wackenhut, and the case is currently set for trial in 2007. Wackenhut and the other named defendants are defending the suit. A second federal civil suit was filed by another group of African Americans who allege Wackenhut discriminates in hiring.⁴¹ In part, the two suits allege:

- Discrimination in Hiring. Wackenhut uses subjective criteria that are not valid, not job-related, nor a business necessity, and have rejected highly qualified African American candidates with law enforcement experience and security clearance while hiring non-African Americans with lesser qualifications.

- **Discrimination in Promotion and Advancement.** Wackenhut denies equal opportunities by promoting less experienced, less educated and less senior employees over more qualified African American workers. A white worker with a GED was promoted over an African American officer with a Masters degree. Discrimination excludes highly qualified African American officers from demanding supervisory and management positions even though qualified African Americans have applied for the position and less or equally qualified whites were given the promotions.
 - **Racially Hostile Workplace.** Wackenhut officers have been the recipient of racist jokes and offensive comments in the workplace. Incidents include the spoken use of blatant racial hate words including the "N-word," "Buckwheat," and "Arnold Schwarza-nigger." Racist graffiti is regularly present. A white employee asked an African American officer "what does FUBU stand for? Fucked Up Beyond Understanding?" (FUBU is an African American owned clothing maker: For Us, By Us.) In the changing house, white inspectors stated that African American employees "do not know what they are doing and have the mind of a two year old."
 - **Discrimination in Discipline.** Highly qualified African American officers spend more time off work for unpaid disciplinary leave. They also receive longer probation, worse handling of medical time off, and written reprimands while non-African American officers are not "written-up." An African American officer was told that he was at Step 3 of three-step disciplinary program without ever being informed of Steps 1 or 2.
 - **Overtime Misused as Privilege and Punishment.** Wackenhut uses overtime as a discriminatory device, denying African American officers voluntary overtime while approving overtime for white workers. Wackenhut sometimes demands mandatory overtime from African American officers in a punitive manner.
 - **Discriminatory Job Assignments.** Wackenhut denies African American officers desirable assignments and schedules. For example, they exclude African American officers from work in clothing or supply areas or as dog handler escort. Scheduling decisions also favor non-African American workers. Again, jobs do not go to the best person.
 - **Discriminatory Terms and Conditions of Employment.** Wackenhut is accused of race discrimination related to compensation and discipline. Where pay raises are discretionary, Wackenhut gives white employees higher pay raises than comparable African American officers.
- African-American Senior Manager Sues Wackenhut For Race Discrimination (Harris v. Wackenhut Services, Inc., 1:04-cv-02132-RBW-DAR, United States District Court for the District of Columbia).

Edward Harris, an African American who had been Wackenhut's Vice-President and General Manager of the National Capitol Region, sued Wackenhut for race discrimination, hostile work environment, and retaliation.⁵ Wackenhut denies the allegation and is actively defending the action. Harris, a retired Air Force lieutenant colonel, had been Chief of Security Forces Operations for the United States Air Force Command, and claims he was actively recruited by Wackenhut in 1998. Harris alleges:

- He often heard racist jokes and other statements that were patently offensive. For example, in the fall of 2002, Harris alleges Larry Luper, a white Vice President of Business Operations, asked Mr. Harris if he knew what a black electrician was called in West Palm Beach, Florida. When Mr. Harris replied that he did not know, Mr. Luper told him that such electricians were called "Ohm Boys."
- The discrimination extended to his staff, a majority of whom were African Americans. Mr. Harris repeatedly sought to remedy substandard facilities, supplies and treatment to which he and his largely African American staff were subjected, including inadequate body armor and communication devices.
- He was consistently insulted, mocked, and otherwise humiliated in daily telephone conferences with Mr. Dave Foley (now President of Wackenhut Services, Inc.), Executive Vice President Jack Faulkner, Mr. James Long (now CEO of Wackenhut Services, Inc.), Mr. Luper, and other key corporate staff members. Under stress Mr.

Harris is occasionally prone to stutter, and Mr. Luper would imitate the cartoon character Porky Pig whenever this happened in order to make fun of Mr. Harris.

- o During the fall 2003 General Managers' Conference Mr. Harris witnessed Mr. Long, Mr. [Lawrence] Brede [now Senior Vice President for Department of Energy Operations], Mr. Faulkner, and Mr. Luper repeatedly making fun of Richard K. Allen, an African American who is Wackenhut's Deputy General Manager at the Department of Energy's Savannah River nuclear plant. In front of the conference attendees, Mr. Long, Mr. Brede, Mr. Faulkner, and Mr. Luper referred to Mr. Allen's new Aiken, S.C., home as being located in the "Ghetto."

- Wackenhut is named as a defendant in at least two other cases currently pending in U.S. District Court involving allegations of various forms of discrimination or civil rights violations, including race discrimination arising from the company's security work:

- o Granberry v. Alutiq Security & Technology et al, 5:06-cv-00532-VEH (United States District Court for the Northern District of Alabama); Cause: Job discrimination; Filed 03/17/2006.
- o Tobin v. Bodman et al, 1:05-cv-00139-DHB (United States District Court of South Carolina); Cause: Civil rights (Employment Discrimination); Filed 02/17/2006.

- Settlement in Suit Brought by U.S. Equal Employment Opportunity Commission for Sex Discrimination and Retaliation (United States Equal Employment Opportunity Commission v. Wackenhut Puerto Rico, Inc., 04-2035 SEC, United States District Court for the District of Puerto Rico)

Wackenhut Puerto Rico must pay an \$80,000 settlement to former employee Catalina Lopez Vasquez in a case that was brought by the United States Equal Employment Opportunity Commission (EEOC) regarding sexual harassment and retaliation under Title VII of the Civil Rights Act of 1964 and Title I of the Civil Rights Act of 1991.¹⁴ Wackenhut Puerto Rico is a wholly owned subsidiary of the Wackenhut Corporation. The court will enforce the five year settlement that includes the creation of a Wackenhut anti-discrimination policy, a new anti-retaliation policy, mandatory training on sexual discrimination and reporting for Wackenhut's managers and supervisory personnel at its corporate headquarters in Puerto Rico. The Commission alleged the following:

- o Mrs. Lopez was subjected to unwelcome sexual conduct by a co-worker, whom Wackenhut later promoted to be her supervisor, which was sufficiently severe and pervasive to constitute a hostile, intimidating work environment. Wackenhut knew or should have known of the harassment, but failed to take prompt, remedial action. The Commission further alleges that Wackenhut subsequently retaliated against Mrs. Lopez for complaining of the unlawful sexual harassment by subjecting her to work location transfers, undesirable work shifts, and adverse terms and conditions of her employment.
 - o The harassment included, but was not limited to, frequent, egregious sexual comments and displays including vulgar comments regarding sexual acts, offensive remarks regarding his own genital area and comments regarding Mrs. Lopez' breasts and buttocks. On at least one occasion, he squeezed Mrs. Lopez' body and grabbed her breast.
 - o Mrs. Lopez complained repeatedly to Wackenhut's General Manager regarding the harassment, but he failed to take prompt remedial action. Instead, Wackenhut promoted the harasser to the position of group leader and supervisor over Mrs. Lopez. Ultimately, Mrs. Lopez reported the harassment to Wackenhut's Human Resources Director, who also failed to take prompt remedial action.
 - o Further, Wackenhut retaliated against Mrs. Lopez for complaining of the unlawful sexual harassment by subjecting her to involuntary adverse work location transfers, undesirable shifts, and adverse terms and conditions of her employment.
- Problems Associated with Honoring Arbitrators' Awards: In cases involving two different unions, United States district courts forced Wackenhut to abide by arbitrators' awards which the company

either ignored or sought to vacate. The awards had been made according to the grievance procedures established under collective bargaining agreements.

- o In three separate cases in Oregon, New Jersey, and Washington, DC, United States district courts have upheld arbitrators' awards against Wackenhut for unfairly firing members of UGSOA. These cases were decided in October 2005, March 2006, and October 2004 respectively. In Oregon, UGSOA had to sue Wackenhut to force it to comply with the award; in New Jersey and Washington, DC, Wackenhut unsuccessfully filed suit to vacate the awards.^{vi} According to a UGSOA brief filed in one case, Wackenhut has made "an economic calculation that it is cheaper to hire a Virginia lawyer to raise groundless challenges to the Arbitrator's decision than to comply with the Award."
- o In Illinois, Local 1 of the Service Employees International Union was forced to take Wackenhut to court to force the company to live up to a collective bargaining agreement. Wackenhut failed to pay area standard wages and benefits to its officers at AT&T buildings in an area covered by the collective bargaining agreement. A Joint Arbitration Board (JAB), established under the agreement, upheld SEIU's grievance on the matter, but the company failed either to comply or to file suit to vacate the JAB's decision. In March 2006, a United States District Court judge ordered Wackenhut to comply with and abide by the decision.^{vii}
- o In a separate case in Illinois, Wackenhut refused to abide by an arbitrator's decision under its collective bargaining agreement with SEIU Local 1. The arbitrator decided that a security officer had been wrongly fired and must be reinstated. Wackenhut took the case to District Court, where the judge upheld the arbitrator's decision in July 2006.^{ix} Wackenhut's refusal to abide by arbitrators' decisions reflects its lack of respect for the arbitration process created under the collective bargaining agreement.

Question #14:

Does your firm have any outstanding judgments pending against it?

- Jury Verdict Against Wackenhut in Sex Discrimination Suit (Lulaj v. The Wackenhut Corporation, 2:04-cv-75051-JCO-RSW (Eastern District of Michigan)).

Lisa Lulaj, the plaintiff in a sex discrimination suit against Wackenhut alleged the following facts.^x Lulaj began her employment with Wackenhut in February 2004, as a security officer. She became pregnant in November 2003, and advised Wackenhut of same in April 2004. During her employment with Wackenhut, she received favorable performance reviews and was offered promotions. Plaintiff was denied a promotion to supervisor, after advising them of her pregnancy, and plaintiff being told she should consider a lesser position, due to her "condition." A nonpregnant employee was given all Lulaj's duties and responsibilities and received the promotion. On April 6, 2006, a jury found in favor of Lulaj, and awarded her \$200,000 in damages for lost wages, future lost wages, medical and noneconomic damages. On August 23, 2006 the judge denied Wackenhut's motions for judgment as a matter of law and for a new trial, and granted in part its motion for amendment of judgment by reducing damages, while granting plaintiff's motion for attorney fees. The execution of the judgment has been stayed pending resolution of the appeal.

Question #16:

In the past five years, has your firm or any of its owners, partners or officers, ever been investigated, cited, assessed any penalties, or been found to have violated any laws, rules, or regulations enforced or administered, by any of the governmental entities listed on attached C (federal, state, and local entities list on page 9 of Questionnaire).

- NLRB Finds Unfair Labor Practice Violations at Florida Nuclear Power Plant: (Wackenhut Corporation and International Union of Security, Police and Fire Professionals of America (SPFPA), Cases 12-CA-23294, 12-CA-23295 and 12-CA-23407 (National Labor Relations Board), Decision and Order, 27 August 2005.)_On August 27, 2005 the National Labor Relations

Board determined that Wackenhut was guilty of multiple unfair labor practices at the Turkey Point nuclear power plant outside Miami. This conclusion sustained the September 2004 finding of an NLRB judge that Wackenhut had acted unlawfully by eliminating a job classification at the plant. The Board determined that Wackenhut took this step as retaliation against employees who had voted in favor of union representation with the International Union of Security, Police and Fire Professionals of America (SPFPA), thus making Wackenhut's action illegal. Further, the Board ruled that Wackenhut failed and refused to bargain collectively in good faith with SPFPA, thereby engaging in additional unfair labor practices.³³

- Wackenhut Violated Rights of IMF Workers Seeking to Form a Union According to NLRB Ruling (Wackenhut Corporation and Service Employees International Union, Case 5-CA-31927, Decision and Order, December 19, 2006.)

The National Labor Relations Board ruled against Wackenhut in a case involving security workers who sought to organize a union at the headquarters of the International Monetary Fund (IMF) in Washington, DC.³⁴ The NLRB upheld an administrative law judge's finding that Wackenhut illegally intimidated and interrogated security officers Anderson Carter and Terry Purnell, who were leading an effort to encourage their co-workers to become members of Service Employees International Union (SEIU). In the organizing drive a solid majority of Wackenhut officers signed cards expressing their desire to join SEIU, the nation's largest security union. Wackenhut fired both Carter and Purnell however not before a majority of workers at the site signed union cards indicating their support for unionizing. According to the NLRB ruling, Wackenhut violated workers rights by:

- o Telling employees that the International Monetary Fund contract prohibited unions;
 - o Threatening employees with the loss of their jobs if they unionized;
 - o Creating the impression of surveillance of employees' union activities;
 - o Telling employees they should transfer to another worksite if they want to continue their union activity;
 - o Interrogating employees about their union activities.
- Payment Withheld, Overbilling Investigated on Dayton Transit Contract: Wackenhut provided security services for the Greater Dayton Regional Transit Authority (GDRTA) between January 2001 and January 2006, but lost the contract when it went out to bid and was awarded to the security contractor Securitas. A review of documents obtained by SEIU under the Ohio Freedom of Information Act, related to the Dayton contract reveal that in the month before Wackenhut lost the contract, the transit authority withheld payment to the company pending an investigation into overbilling. Moreover, the documents describe a history of Wackenhut's performance problems and failures at the site. These include:
 - o Missing incident reports
 - o Sleeping on the job;
 - o Concerns about officers' qualifications;
 - o A lack of supervision; and
 - o Unprofessional conduct

Email correspondence between the GDRTA and Wackenhut reveals allegations from the transit authority that Wackenhut was overbilling for hours that actually went unmanned. In a December 2005 email, the GDRTA stated that payment to Wackenhut on an invoice of \$67,500 for services rendered was "not to be released pending an internal investigation by Wackenhut regarding the correct and billable hours."³⁵ An internal audit was conducted by Wackenhut in 2006. The investigation found "individuals charged to RTA without training and hours charged for employee's not worked." In fact, a thorough review of the audits revealed over 20 instances of overbilling between October and December 2005.³⁶

Question #19:

Is a governmental entity or public utility currently investigating your firm for making (a) false claim(s) or material misrepresentation(s)?

- **Fraud in Government Contracting—Charging for Services Allegedly Not Performed on the Miami-Dade County Transit Contract:** Wackenhut's contract to guard the Miami Dade Transit system is worth \$89 million over 5 years and is being investigated by the County Auditor who has seized payroll records and company log books in response to whistleblower complaints of overbilling and fraudulent reporting of guards' hours. According to a report in the *Miami Herald*, a senior MDT official has ordered the removal of Wackenhut's top two administrators on the contract pending the investigation's outcome.^{xv} Whistleblowers also report that guards - who are armed - are often asked to work up to 7 days a week and up to 20 hours straight. The overbilling reportedly has cost Miami-Dade County up to \$4.5 million a year.^{xvi}

The allegations are contained in depositions by Wackenhut employees, including supervisors, arising from a group of lawsuits filed in 2005 by four former guards who claim they were fired or demoted after complaining about staff shortages on the transit system and on a second Wackenhut contract with the county.

In August, 2005 Michelle Trimble, filed a *qui tam* lawsuit in Florida state court. The case is pending and has, so far, survived a motion to dismiss.^{xvii} The company has denied the allegations. A judgment against Wackenhut could result in triple damages (estimated at between \$52 and \$67 million) and 5 years debarment from doing business with the county.

- **Ongoing Investigation by the Department of Energy Inspector General's Office of Investigations: Falsification of Training Records; Payments made for Uncompleted Physical Fitness Training:** The Department of Energy's Assistant Inspector General has revealed that Wackenhut is the subject of an ongoing investigation by the Inspector General's Office of Investigations (OI) concerning falsification of training records and payments to officers for physical fitness training which was not completed at the Oak Ridge Reservation. The Office of Investigations may report suspected criminal or civil violations to the Department of Justice for prosecution, which may result in further action, including: civil settlements, indictments, convictions, recoveries, fines, restitution, probation, and incarceration. A conviction or civil judgment for falsification of records may be grounds for suspension or debarment of contractors under the U.S. Government's Federal Acquisition Regulations.

The OI's investigation grows out of an investigation by the Inspector General into protective force overtime and training at Oak Ridge conducted between November 2004 and March 2005 and reported in June 2005.

- In the June 2005 report, the OIG revealed several instances of falsification of signatures on Wackenhut training rosters.^{xviii} Wackenhut allowed officers to sign the training attendance form—and be given credit for training—without receiving any training or demonstrating their proficiency in the training topic if officers indicated that they did not need training, according to the IG. The matter was referred to the OIG's Office of Investigations which launched the law enforcement investigation.
- The same June 2005 report into overtime and training yielded a second referral to the OIG's Office of Investigations regarding the issue of protective force officers accepting physical fitness training pay, but not completing physical fitness training. Investigators questioned 10 randomly selected protective force officers at Y-12 about their physical fitness training, and all of these officers disclosed that they did not always complete the required physical fitness training. They attributed this to the extensive amount of overtime they worked.

^{xv} "Mass Transit Riders Tell of Bias," *Salt Lake Tribune*, August 16, 2001; "Guard says he was fired for whistleblowing," *Deseret News*, April 11, 2002; "UTA security captain suspended after incident," *Deseret News*, March 7, 2002.

²² Yost, Patrick. "DHS Solicits New Contract for Security Personnel After Revelations of Problems." *Congressional Quarterly*. April 3, 2006.

²³ Franklin v. Wackenhut, 2:05-cv-00120 (Western District of Washington).

²⁴ Both suits are currently being heard in US District Court for the Eastern District of Tennessee. Sheard, et al. v. Lockheed Martin Energy Systems, Inc., Wackenhut Services Inc., and Wackenhut Corporation, 3:01-CV-6609; and O'Neal et al. v. Wackenhut Services Inc. and Wackenhut Corporation, 3:03-CV-397. In February, 2006 all parties to the Sheard case agreed that the claims would be tried separately as three new cases, Alexander et al. v. Lockheed Martin Energy Systems, Inc. et al. (3:06-cv-00047); Davidson et al. v. Lockheed Martin Energy Systems, Inc. et al. (3:06-cv-00045), and Clark et al. v. Lockheed Martin Energy Systems, Inc. et al. (3:06-cv-00046).

²⁵ Harris v. Wackenhut Services, Inc., 1:04-cv-02132-RBW-DAR (United States District Court for the District of Columbia).

²⁶ United States Equal Employment Opportunity Commission v. Wackenhut Puerto Rico, Inc., 04-2035 SEC (United States District Court for the District of Puerto Rico).

²⁷ United Government Security Officers of America, Local 38 v. Wackenhut Corporation, CV-04-1858-MO (United States District Court for the District of Oregon), Order, 13 October 2005; Wackenhut Services, Inc. v. United Government Security Officers of America, Local 44, 05-0805 (JR) (United States District Court for the District of Columbia), Order, 30 March 2006; The Wackenhut Corporation v. United Government Security Officers of America, Local 14, 04-4085 (Jhr) (United States District Court for the District of New Jersey).

²⁸ Service Employees International Union, Local 1 v. the Wackenhut Corporation, 04 C 2885 (United States District Court for the Northern District of Illinois, Eastern Division), Memorandum Opinion and Order, 13 March 2006.

²⁹ The Wackenhut Corporation v. Service Employees International Union, Local 1, 05 C 6566 (United States District Court for the Northern District of Illinois, Eastern Division), Memorandum Opinion and Order, 17 July 2006.

³⁰ Lulaj v. The Wackenhut Corporation, 2:04-cv-75051-JCO-RSW (Eastern District of Michigan).

³¹ The Wackenhut Corporation and International Union of Security, Police and Fire Professionals of America (SPFFPA). Cases 12-CA-23294, 12-CA-23295 and 12-CA-23407 (National Labor Relations Board), Decision and Order, 27 August 2005.

³² Wackenhut Corporation and Service Employees International Union, Case 5-CA-31927, Decision and Order, December 19, 2006.

³³ "Alert for Wackenhut Invoices;" Email from Katie Levens to Goodloe Gillispie; December 5, 2005.

³⁴ "GDRTA Billing/Payroll Review, Period of 10/01/2005-through 12/25/2005" provided by the GDRTA.

³⁵ "Firm is accused of lax transit security; Wackenhut employees say the security company has struggled to find enough guards to stand watch at Miami-Dade's Metrorail stations; They claim some stations are left unattended for hours," *Miami Herald*, January 8, 2006.

³⁶ "Suit says firm overbilled: A lawsuit claims a security firm routinely overbilled Miami-Dade County on two multimillion-dollar contracts," *Miami Herald*, September 28, 2005.

³⁷ See Miami-Dade County, ex rel. Michelle Trimble vs. Wackenhut Corporation, in the 11th Judicial Circuit in and for Miami-Dade County, Case #05-15871-CA23. Trimble alleges Wackenhut has: through its lobbying convinced the Miami-Dade County Commission that it is the only firm with sufficient personnel to fulfill County security contracts; has rarely, if ever, had competitive bidders for its contracts; for more than a decade has been chronically short of guards and supervisors in all its Miami-Dade County contracts; has prepared false documents purporting to show that contracts are being fully performed with all required personnel; has submitted bills for phantom hours and services, and has received payment.

³⁸ U.S. Department of Energy, Office of Inspector General, Office of Inspections and Special Inquiries, "Protective Force Training at the Department of Energy's Oak Ridge Reservation," Inspection Report, DOE/IO-0694, June 2005.



News Release

SERVICE EMPLOYEES
INTERNATIONAL UNION
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For Immediate Release

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Wackenhut/G4S Security Firm Faces Debarment From City Contracts

LA's Top Clergy and Community Leaders Chart Record of Discrimination

LOS ANGELES, June 26 -- The City of Los Angeles is launching an investigation into security contractor Wackenhut Corporation/G4S' compliance with the city's Responsible Contractor Policy, a probe that could result in debarment from city contracts for five years. Prior to the investigation, Wackenhut had more than \$5 million annually in contracts with the City of Los Angeles to guard at least two dozen buildings and public places including Los Angeles City Hall East; Mount Lee -- the home of the famous Hollywood sign; the Ed Davis Training Facility, which is the newest and most elaborate LAPD training facility; other parks, performing arts centers, and the Watts and Van Nuys city halls.

In addition to launching the investigation, Los Angeles did not select Wackenhut for future city work worth up to an estimated \$20 million over three years. Wackenhut Corporation formerly had the largest piece of this city account. They were first selected in 2004 for a three-year contract along with four other contractors for the Los Angeles security work.

In its Notice of Investigation, the Los Angeles City Bureau of Contract Administration (BCA) determined, "after researching [a] complaint (regarding [Wackenhut's] contractor responsibility status) that the issues raised are valid." Accordingly, Wackenhut "[has] been placed under investigation for violations of [the Contractor Responsibility Ordinance] of Los Angeles."

Under the Responsible Contractor Program (RCP), the City determines whether the prospective contractor is one that has the necessary quality, fitness and capacity to perform the work set forth in the contract. Irresponsible contractors with poor performance of other contracts; failure to comply with relevant laws and regulations; and shoddy record of business integrity are not eligible for city contracts for up to five years according to the Los Angeles Administrative Code Section 10.40.2(a), Ordinance No. #17367.

In March 2007, U.S. Congresswoman Diane Watson co-chaired a public hearing where she heard current and former Wackenhut employees testify to the company's long record of workplace discrimination, labor violations, and management incompetence. In response to charges of racial discrimination by

Wackenhut within the Department of Energy's elite anti-terrorist Protective Force, Congresswoman Watson declared, "I'm appalled that we have contractors here with Federal government contracts being paid by taxpayers' dollars ... practicing the behavior of the 1950's and the 1960's." California Assembly member Mervyn Dymally (D-52) and California Senator Mark Ridley-Thomas (D-26) also co-chaired the Commission on Wackenhut and Security Standards that included Los Angeles City Council member Wendy Greuel and Dr. Maulana Karenga, Professor, California State University, Long Beach and National Chairman of the Organization US.

The Los Angeles Commission on Wackenhut and Security Standards, a group of prominent religious, community leaders and trade unionists, conducted the hearing. In addition to the hearing, the group sent a letter to Los Angeles' head of the Bureau of Contract Administration, John L. Reamer, expressing their concerns about the company's "well documented record of racism, discrimination and poor security that appears to violate the City of Los Angeles' Responsible Contractor Policy." The March 28, 2007 letter was signed by Rev. Eric P. Lee, executive director of the Southern Christian Leadership Conference of Greater Los Angeles and Rev. Dr. Lewis E. Logan II, senior Pastor of the Bethel A.M.E. Church in Los Angeles.

The Los Angeles BCA received evidence that Wackenhut Corporation's answers on the contractor responsibility questionnaire in January 2007 were less than truthful. With respect to early termination of contracts within the past five years, Wackenhut failed to mention losing contracts at Pilgrim Nuclear Power Plant (August 2006), Indian Point #2 Nuclear Power Plant (2003), and Utah Transit Authority (2002). In addition, Wackenhut's contract to guard Dept. of Homeland Security Headquarters and Army Bases was not renewed. As for recent employment litigation brought by workers, Wackenhut overlooked a number of race discrimination and civil rights cases, including an \$80,000 settlement in a sexual harassment case.

Wackenhut also failed to mention governmental investigations for violating laws and rules including investigation leading to the loss of the Dayton Transit contract in Ohio. Problems and failures there included missing incident reports, sleeping on the job, concerns about officers' qualifications, lack of supervision, and unprofessional conduct.

As for current investigations of false claim(s) and material misrepresentation(s), Wackenhut neglected to tell the City of Los Angeles about a fraud suit for services allegedly not performed on the Miami-Dade County Transit contract and the County's Juvenile Assessment Center. An ongoing investigation by the NBC affiliate in Miami on parts of a preliminary Miami-Dade county audit revealed that "Wackenhut owes taxpayers up to \$12.1 million for what it calls 'questioned hours' and 'questioned billings'" in addition to various other contract violations. The company also omitted an ongoing investigation by the Department of Energy's Inspector General of falsification of training records.

After the hearing, the coalition presented additional materials to the city in the period of the last several months. While Wackenhut had been the incumbent choice for more years of work, the city recently decided not to choose the company for new work. This is in addition to beginning the investigative probe toward potential debarment.

Faith Culbreath, president of SEIU Local 2006, which represents security officers at other companies in the Los Angeles area said, "Security workers want to be accountable to the community they serve. That means working for companies that do the right thing by their

workers and by the citizens of Los Angeles. Wackenhut abused the public trust and the trust and safety of its workforce."

Wackenhut Services Inc./G4S is owned by the London-based security conglomerate G4S. G4S, the largest company trading on the London stock exchange, is under fire from international human rights groups and trade unions for the company's alleged racist and discriminatory practices in southern Africa and elsewhere. An international delegation of trade unionists and human rights experts and advocates recently traveled to southern Africa to meet with G4S workers there. Their report, "Who Protects the Guards?" is available on the websites focusong4s.org and eyeonwackenhut.com.

SEIU is the fastest growing union in North America. Approximately 250,000 SEIU property services workers nationwide clean, maintain, and provide security for commercial office buildings, co-ops, and apartment buildings, as well as public facilities like theaters, stadiums, and airports. Property Services workers are janitors, security officers, maintenance and custodial workers, stadium and arena workers, window cleaners, and other workers who provide important services.